

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 271 - SB 486

March 18, 2013

SUMMARY OF BILL: Requires appropriate personnel in an acute care hospital, birthing center, prescribed child care center, or ambulatory surgical center to ask each adult patient whether he or she would like to be tested for human immunodeficiency virus (HIV) and any other identified causative agent of HIV. Does not require any of these facilities listed to pay for such test should the patient subscribe to being tested.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$160,500

Increase Local Expenditures – Exceeds \$14,100*

Assumptions:

- According to the Bureau of TennCare, covering HIV tests would be consistent with reasonable medical standards as currently exists and would not cause an increase in referrals to TennCare requiring HIV.
- According to the Department of Finance and Administration's Benefits Administration, any adult under the state plan, who chooses to take an HIV test, and accepts, would receive this test, resulting in an increase in benefit payments and thereby, increasing state and local expenditures.
- This would not apply to women who are on the plans administered by Benefits Administration, because an HIV test is currently offered without co-pay through the state, local education, and local government plans.
- Quotes received from Cigna and BlueCross regarding the cost of administering an HIV test were in the range of \$12.58 to \$20.60. It is expected that the average price or \$16.59 would be charged $[(\$12.58 + \$20.60) / 2]$.
- The Department of Finance and Administration cites the 2007 Center for Disease Control (CDC) report, *Morbidity and Mortality Weekly Report*, to estimate, of those asked, who will accept an opt-in HIV test. According to such report, of the 18.6 percent of adults, 56.5 percent accepted. The Department estimates, therefore, that 10.51 percent of those asked will accept $(18.6\% \times 56.5\%)$.
- There are approximately 119,146 adult members on the state plan. Approximately 10.51 percent or 12,522 of these individuals will be tested for HIV $(119,146 \times 10.51\%)$.


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- Benefits Administration will experience an increase in expenditures of \$207,740 ($12,522 \times \16.59) as a result of HIV tests performed on state plan members.
- The state covers 80 percent of the employees' health costs in the State Employee Health Plan resulting in an increase in state expenditures of at least \$166,192 ($\$207,740 \times 0.80$).
- There are approximately 87,389 adult members on the local education employee plan. Approximately 10.51 percent or 9,185 of these individuals will be tested for HIV ($87,389 \times 10.51\%$).
- Benefits Administration will experience an increase in expenditures of \$152,379 ($9,185 \times \16.59) as a result of HIV tests performed on local education employee plan members.
- The state portion of the Local Education Plan is 45 percent for Local Education instructional staff which is approximately 75 percent of LEA employees and 30 percent for support staff which is approximately 25 percent of LEA staff. The increase in state expenditures is estimated to be at least \$62,856 [$(\$152,379 \times 0.75 \times 0.45) + (\$152,379 \times 0.25 \times 0.30)$].
- There are approximately 16,198 adult members on the state local government plan. Approximately 10.51 percent or 1,702 of these individuals will be tested for HIV ($16,198 \times 10.51\%$).
- Benefits Administration will experience an increase in expenditures of \$28,236 ($1,702 \times \16.59) as a result of HIV tests performed on local government plan members.
- The state does not share cost with members of the local government plan. The total increase in local expenditures will depend on the share of the premiums or direct cash contribution paid by local governments. The average contribution is unknown and contribution rates range up to 100 percent. It is assumed that on average local governments will cover at least 50 percent of the cost resulting in an increase in local expenditures which exceeds \$14,118 ($\$28,236 \times .50$).
- The most recent and available data provides that the state spent a total of \$68,585 in FY11-12 for HIV tests for plan members.
- Beginning in FY13-14, HIV tests performed on members of the state plan and local education plan will result in a recurring increase in state expenditures of \$160,463 ($\$166,192 + \$62,856 - \$68,585$)

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb